

FISCAL NOTE

HB 2289 - SB 2310

March 26, 2004

SUMMARY OF BILL: Provides a jobs tax credit against franchise and excise taxes for businesses hiring persons with disabilities who are currently receiving state services. The Commissioner of the Department of Finance and Administration would be responsible for certifying to the Commissioner of the Department of Revenue a taxpayer's participation in the program and the amount of the tax credit for such taxpayer. The total tax credit each year could not exceed the expected savings to be achieved during such year by a reduction in state services through employment of persons with disabilities. The bill also authorizes the Commissioners of Mental Health and Developmental Disabilities, Human Services, Finance and Administration, in cooperation with the Deputy Commissioner of Mental Retardation Services, Division of Rehabilitation Services and the Tennessee Committee for Employment of People with Disabilities, to develop programs of grants to assist persons with disabilities receiving state services in obtaining employment with non-profit organizations. The grants could not exceed the expected savings to be achieved by any reduction in state services through the employment of persons with disabilities.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - No savings to the state are estimated because the Department of Human Services has a waiting list for disabled individuals seeking assistance. Therefore, any individual employed through this program would immediately be replaced by the next person on the waiting list. Additionally, the Department of Finance and Administration indicates that the cost for additional direct care staff, job coaches, specialized transportation, and other supportive services required to help disabled individuals with their employment would offset any savings to the state by having the individuals become employed. As a result, there would be no savings to the state and no tax credits issued. Under either interpretation, there would be a one-time increase in state expenditures of \$62,775 for the Department of Revenue to make systems and forms changes which would be required to implement the provisions of this legislation.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director